RBI considers requests from foreign banks for opening of maiden branches in India, under Sec. 22 of the Banking Regulation Act, 1949 keeping in view the following criteria:—

- Financial soundness of the Bank
- International and home country ranking-
- Rating
- Economic and trade relations between the two countries.
- The home country regulations and supervisory control
- Home country regulator's approval for opening of the branches in India.

A Minimum capital requirement for opening maiden branch is US$ 10 million, a further requirement of US$ 10 million for opening second branch and USS 5 million for opening third and subsequent branches.

(c) As reported by Reserve Bank of India, eleven applications in respects of private sector banks and one application from a foreign banker for opening its maiden branch in India are pending with RBI.

(d) During the last one year only one bank namely KBC Bank, NV Belgium commenced operations in India from 15.2.2000 with its maiden branch in Mumbai.

Payment to suspended Employees of State Bank of Indore

2040. SHRI RAMACHANDRAIAH RUMANDLA: Will the Minister of FINANCE be pleased to refer to answer to Unstarred Question 1270 given in the Rajya Sabha on 14th December, 1999 and state:

(a) the reasons for making payment on the basis of employees treated as "Suspended" by the Stale Bank of Indore, as referred to part (d) of the above mentioned question;

(b) whether it is a fact that employees were not suspended and rules not complied with fully in this regard;

(c) what are the reasons for withholding remaining dues; and

(d) by when remaining payment is likely to be made by the Bank?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b) According to State Bank of .

Indore, the concerned employee was not suspended but was deemed on voluntary cessation of service on account of his icng unauthorised absence. However, keeping in view the hardship of the concerned employee, the bank took a decision to treat the period of absence from 4.6.1985 to 31.12.1987, i.e. the period of conciliation proceedings at par with the matter under investigation and extended some monetary compensation to him. The bank has further reported that at no stage, it has stated by them that the payment was made on the basis of the employee having been treated as suspended.

(c) and (d) According to the State Bank of Indore there are no remaining dues of the concerned employee.

Separate Banks of PSUs

2041. SHRI RAMDAS AGARWAL: Will the Minister of FINANCE be pleased to state:

(a) whether there is any proposal under Government's consideration to set up a separate and exlcusive Bank for PSUs;

(b) whether Government have received any suggestions from various organisations in this regard; and

(c) if so, by when the Bank is likely to be set up and whether any useful purpose would be served thereby?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALA SAHEB VIKHE PATIL): (a) No, Sir.

(b) Suggestions have been received in the Ministry of Finance and in the Ministry of Heavy Industry and Public Enterprises from the All india Bank Officers' Confederation and the Professional Trade Union Centre of India respectively that a bank should be set up exclusively for public sector undertakings.

(c) There is no proposal under Government's consideration to set up such a bank since it is felt that such a bank would not confer any additional benefits on public sector undertakings.

Transfer of RBI holdings in SBI to Government

†2042. SHRI SHIBU SOREN: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Reserve Bank of India has proposed to transfer its share holdings in State Bank of India to Government;

---

†Original notice of the question was received in Hindi.